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SUBJECT: A SUCCESSFUL, MULTI-LAYERED EVENT IN BINH DUONG

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11. (SBU) SUMMARY: On September 22, ConGen HCMC and the Binh Duong provincial government jointly sponsored a day-long series of events that featured a conference on trade and investment, a visit to a U.S. high-technology investor, a cultural program, a presentation on student visas and a reception for 350 guests in the heart of Binh Duong's planned "new town" development. At a time when some counterparts appear reluctant to be seen as cooperating too actively or publicly with the consulate, ConGen staff were pleasantly surprised on the day of the events to find banners -- complete with American flags and Consulate Seals -- hanging from light posts beginning several miles from the event site. The media was well-represented and on the margins actively questioned presenters and audience members alike, and the conference was taped in its entirety to be broadcast on Binh Duong TV. The event was a success on many levels: an important step toward raising the Consulate's profile outside of HCMC, an opportunity to promote U.S. exports and make commercial contacts in what is arguably Vietnam's most economically vibrant region, an opportunity to showcase the advantages of rapid reform and transparency, a day-long advertisement for the many advantages of open U.S.-Vietnam cooperation and -- perhaps most importantly -- an opportunity to convey the message to other Vietnamese provinces as well as top GVN/CPV leaders that a willingness to pursue an open, constructive dialog on all issues, including sensitive areas in need of reform, is an essential component to building a vibrant economy. END SUMMARY.

LAYER ONE: TRADE AND INVESTMENT

12. (U) On the surface, the Binh Duong event was a trade and promotion event with Binh Duong authorities primarily interested in promoting inbound investment while the Consulate focused on promoting the export of U.S. goods -- machinery, materials, food, etc. The Consulate and the Peoples Committee both understood our differing but compatible goals going in and were more than happy to help the other, with the CG praising Binh Duong for having created what many view as the most positive business climate in Vietnam while provincial officials warmly welcomed American suppliers. Our colleagues from Foreign Commercial Service (FCS) and Foreign Agricultural Service (FAS) were on hand to participate in panel discussions and network with the more than 300 companies present. Binh Duong's impressive economic performance (growth consistently averaging above 15% and Vietnam's third largest destination for FDI), Binh Duong is also a key market for U.S. products. Beef and wine are joining cotton, hardwoods and leather as major U.S. agricultural exports to the province while the trend toward increased mechanization in factories is opening up new markets for U.S. leaders such as Rockwell Automation and Gerber Scientific. American engineering and architectural firms are already well

established.

LAYER TWO: PROMOTING CONTINUED REFORM

13. (U) At the same time the CG praised Binh Duong for its many successes, he pointed out that the province faced many challenges, such as further streamlining the business licensing/registration process (the province slid badly in that area on this year's Provincial Competitiveness Index, or PCI), improving the rule of law and the operation of the courts, balancing economic growth with environmental protection and protecting worker rights. (Note: The PCI uses business surveys to rank order the provinces in terms of the quality of economic governance. The Vietnam Chamber of Commerce and Industry and USAID-funded Vietnam Competitiveness Initiative Project collaborate to produce this annual report. Binh Duong topped the PCI since the index was first published 2005, but was edged out by Danang this year, sliding into the number two position. End note.) The American Chamber of Commerce (AmCham) both praised the great business environment in Binh Duong and called for significant improvements in key areas such as labor unrest. People's Committee Chairman Nguyen Hoang Son and other Binh Duong officials took the criticisms in the constructive vein in which they were intended and responded with information on plans already underway for improving the province's performance. One of the major segments of the conference focused on Binh Duong's plans to address both human and physical infrastructure limitations by building a new town center that will combine a university, hospital and administrative center with higher quality housing, parks and shopping/entertainment districts so as to make the province more attractive to both expatriates and highly qualified Vietnamese employees. (Note: At present, nearly all expats as well as most senior level Vietnamese staff working in Binh Duong's industrial parks live in HCMC.) Binh Duong is already number one on the PCI's ranking of infrastructure, but provincial leaders were quick to agree that

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much remains to be done, particularly with respect to connections to air and sea ports.

LAYER THREE: PROMOTING THE VALUE OF OPENNESS AND COOPERATION

14. (SBU) Faced with frequent difficulties in getting cultural events, speaker programs and other USG-sponsored activities approved in HCMC (and elsewhere), we used this event to promote the mutual advantages of cooperation. For example, while the Consulate's largest cultural program of the year, the visit of the triple Grammy winning fusion group Ozomatli, was especially difficult to arrange in HCMC, Binh Duong provincial leaders welcomed the event enthusiastically, volunteering to share costs by providing the My Phuoc Theater free of charge and even providing buses so that workers at the province's industrial parks could reach the venue easily. On concert night, top provincial and party leaders from Binh Duong joined ConGen staff and about four thousand clearly ecstatic workers attending the packed concert.

15. (SBU) In addition to highlighting the Ozomatli tour, the conference and related events highlighted other successful USG-sponsored programs such as a program led by U.S. Federal Judge Judith Arterton on increasing the professionalism and independence of the judiciary, multiple PEPFAR-supported events aimed at helping reduce the risk of HIV/AIDS among the province's huge migrant worker population, and other speaker programs. Recognizing that economic prosperity in Binh Duong may well translate into parents and students interested in US study, Vice Consul Jeff Hay gave a presentation for 150 high school, community college, and university students. Additionally, the Public Affairs Section offered a presentation on American Business Culture to support the focus on trade and investment in the day's activities, and also to foster mutual understanding.

LEVEL 4: A MODEL TO FOLLOW

16. (SBU) At their core, the day's events were focused as much -- if not more -- on other provinces than on Binh Duong. The overall sub-plot to the entire day's events was plain: progress on the economic front is inextricably tied to progress on all other fronts, including overall good governance, openness to both criticism and new ideas and cooperation with the USA. We were particularly pleased with our success on this front since Binh Duong's leadership stepped up to the plate, delivering the message more effectively than if it had come from a USG representative. Rather than leaving it to U.S. officials to praise the advantages of a huge event such as the Ozomatli concert, for example, provincial officials flagged it in their presentation as an example of one of the province's major successes of this past year. Similarly, it was Binh Duong officials, and not USG representatives, that first broached topics such as religious freedom and the importance of maintaining an open dialog with religious leaders. (Comment: While not perfect, the religious freedom environment in Binh Duong is certainly quite good and far in advance of many other provinces. End Comment.) In contrast to a recent MPS-produced video that linked programs to increase the independence and professionalization of the judiciary to "anti-state plots," Binh Duong officials publicly praised exactly that type of cooperation in their province. Similarly, the willingness of Binh Duong officials to accept live, unscripted questions from the floor concerning topics such as tax collection and business registration problems provided a wonderful example of dealing openly and honestly with constructive criticism -- an example we hope other provinces will follow. When it became clear there were more questions than time, Binh Duong's External Relations Office agreed to answer questions submitted in writing on the provincial website.

17. (SBU) While the day's events were jointly sponsored by the U.S. Consulate General and the Binh Duong People's Committee with a target audience of current and potential investors, the proceedings also attracted participation from several other consulates, multinational corporations and, perhaps most importantly, senior GVN officials including members of the Central Committee of the Communist Party, the National Assembly, the Office of Government (OOG), MPI and others. Thanks to its leadership in building a positive business climate that attracts both foreign and domestic investment, Binh Duong province is widely recognized as a role model. Provincial Chairmen, Party Secretaries and economic officials from literally every province in Vietnam visit Binh Duong to try to learn some of the province's "economic magic." The events on September 22 helped spread the message that a big part of that magic is not a specific set of rules or organizational structure but an attitude of openness combined with a genuine desire to improve constantly.

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18. (SBU) COMMENT: We chose Binh Duong for this event for the simple reason they provincial leaders there genuinely "get it." The province is certainly not without problems, as labor strife, rampant pollution and other issues attest, but these problems are tempered by the realization that the province is working to address them. While we do not agree with Binh Duong officials on every issue; indeed, when planning for this event began we ran into multiple areas where their vision and ours diverged. What makes Binh Duong such an encouraging place to work is that despite our disagreements over such issues as the extent of audience interaction or having private business representatives share the stage on a panel with government officials, we simply worked through them. The end result was a great event that included bits of American and Vietnamese approaches in a uniquely effective cross-cultural event. END COMMENT.

19. (U) This cable was coordinated with Embassy Hanoi.
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